



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region8

November 21, 2017

Ref: 8TMS-G

Mr. Mike Cole
Chairman
City – County Board of Health for Lincoln County
512 California Avenue
Libby, Montana 59923

RE: Request for Final Documentation - Superfund Cooperative Agreement V 96803401

Dear Mr. Cole:

On August 10, 2017 the U.S. Environmental Protection Agency, Region 8 (EPA), requested additional information and support documentation for Superfund Cooperative Agreement Number V 96803401 relating to apparent excessive drawdowns by the City-County Board of Health for Lincoln County (CCBH) totaling \$476,412.07. On September 1, 2017 we received a response from Jinnifer Mariman of Moore, Cockrell, Goicoechea & Johnson, P.C. on behalf of the CCBH.

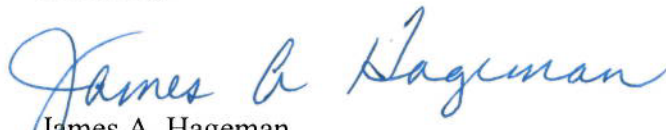
In response to the EPA's request for documentation to substantiate payments of \$331,911.61 made to the law firm Doney Crowley Bloomquist Payne Uda, P.C. (the "Law Firm"), the CCBH submitted: 1) invoices received from the Law Firm; 2) a July 5, 2017 letter from R. Allen Payne to (b) (6), (b) (7)(C) and 3) a "Draft Statement" of charges, apparently prepared by the Law Firm. This documentation fails to adequately identify or explain costs paid to the Law Firm under the Cooperative Agreement. It is not clear that a statement marked "Draft" is accurate or complete. Also, it is not evident on the face of the submitted documentation how the numbers, dates and activities represented in these documents match the total payments of \$331,911.61. Under federal grant regulations, CCBH is responsible for administering federal funds in a manner consistent with the Cooperative Agreement and applicable federal grant regulations and for providing adequate documentation to support costs charged to the federal funds.

Also, to correct any misunderstanding, the EPA still requests that CCBH provide bank statements for the account that held the funds that CCBH drew down in excess of expenditures for the period from February, 2012 through June, 2016. As stated in the August 10 letter, the EPA seeks clarification if CCBH kept the excess drawdowns totaling \$144,500.46 in an interest-bearing account. Please provide assurance that the funds were not kept in an interest-bearing account or in any cash management arrangement with the bank. Lastly, in order to formalize a previous verbal request, the EPA requests a detailed general ledger that shows the actual dates of transactions for incurred costs. The detailed general ledger is necessary to correctly calculate the amount of interest owed based on the excess draws from the Agency.

Please send requested information to Mrs. Sarah Hulstein at Hulstein.Sarah@epa.gov by December 8, 2017, or if you are unable to provide the requested documentation, please respond as such in writing. Upon receipt of the requested information the Agency will then be able to continue the process of determining any amount that will need to be repaid.

Please let me or Sarah Hulstein, (303) 312-6014, know if you have questions regarding this matter. I can be reached at Hageman.James@epa.gov or (303) 312-6005.

Sincerely,



James A. Hageman
Director of Grants, Audit and Procurement
Office of Technical and Management Services

cc: Mark Peck, Lincoln County Commissioner
Jerry Bennett, Lincoln County Commissioner
Kathi Hooper, City/County Board of Health for Lincoln County
Nick Raines, City/County Board of Health for Lincoln County

Brian Switzer, EPA
Stanley Christenson, EPA
Cinna Vallejos, EPA
Mike Cirian, EPA
Sarah Hulstein, EPA